



GTE Service Corporation
1850 M Street, N.W., Suite 1200
Washington, D.C. 20036
(202) 463-4200

July 2, 1996

RECEIVED

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Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

**Re: GTE Telephone Operating Companies' Permanent Cost Allocation Manual
for the Separation of Regulated and Nonregulated Costs**

**In the Matter of Petition for Declaratory Ruling by the Inmate Calling Services
Task Force, Declaratory Ruling, RM-8181, Released February 20, 1996**

Dear Mr. Caton,

In compliance with the above referenced Declaratory Ruling, GTE Service Corporation, on behalf of its domestic telephone operating companies, submits for filing five (5) copies of revisions to its Cost Allocation Manual. These pages should be substituted for the corresponding pages in your copy of the Cost Allocation Manual.

A copy of this letter and attachments will be hand-delivered today to Mr. Ken Ackerman, Chief of the Accounting Systems Branch, Accounting and Audits Division.

Please call me at 463-5293 if there are any questions.

Sincerely,

W. Scott Randolph
Director - Regulatory Affairs

Attachments

C: Ken Ackerman - Room 812 - 2000 L St.
ITS

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ACB



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Network Services	Consultation, design, sale, installation, administration, and/or maintenance of network facilities to meet the customer's requirements.
Sale or Lease of Computer Hardware/ Software	Sale or lease of computer equipment or internally developed application computer software. Such software includes, but is not limited to, traffic management programs and customer-specific data bases.
Telemarketing	Sales training, and consultation services to meet the customer's requirements in telecommunication services for marketing/sales activities.
Fleet Services	The scheduling of preventive maintenance, nightly refueling, coordinating repair activity and computerizing fleet tracking reports.
Continuation of	General, administrative, and operational Services services provided to other local exchange carriers following the sale of GTOC access lines to those companies.
Video Dialtone	Nonregulated video dialtone services Services includes ancillary services, sale/lease of customer premises equipment (CPE), e.g. set top boxes, and inside wire and maintenance. Ancillary services include billing, collection, billing inquiry, order taking, digital conversion and compression. Inside wire and maintenance will be performed as requested by the subscriber

C. Activities Which The FCC Preemptively Detariffed

<u>Activity</u>	<u>Description</u>
Customer Premises Equipment (CPE)	Sale, lease, installation, removal and/or maintenance of terminal equipment which is located on customer premises. CPE includes single-line equipment, multi-line equipment (key systems, data, large and small PBX's), mobile customer premises equipment, centrex equipment, customer owned coin operated telephone, maritime common carrier equipment, mass calling (time and temperature) equipment, national security and national emergency preparedness equipment, radio paging equipment and inmate payphones.

EXHIBIT II-A
LIST OF NONREGULATED SERVICES BY COMPANY

ACTIVITY	GTE-CA	GTE-FL	GTE-SO	GTE-SW	GTE-HT	GTE-NO	GTE-NW	GTE-MW			GTE-TX	C. of CA
Advanced Services Test Beds (ASTB)	X					X		X				
Sale of Central Office Products						X	X	X				
Educational Services			X			X	X	X				
<u>Equipment Services</u>												
Equipment Calibration			X	X		X	X	X				
Personal Computer Repair			X		X		X					
Pay Station Repairs			X				X					
Printed Wiring Card Repairs	X	X	X	X			X					
Fleet Services					X							
<u>Network Services</u>												
Engineering Construction			X	X		X	X	X				
Network Consulting Services			X	X			X					
Building Industry Consulting Services				X		X	X	X				
Outside Plant Maintenance						X	X	X				
Defense Commercial Communications Office						X	X	X				
International Sales					X		X					
Contracting Services					X		X					
Private Networks					X		X					
Computer Hardware/Software - Sale or Lease							X					
Telemarketing Services					X	X	X	X				
Customer Premise Equipment (CPE)	X	X	X	X	X	X	X	X			X	X
<u>Enhanced Services</u>												
Community Voice Message Service	X	X	X	X	X	X	X	X			X	X
Telemessenger					X							
Audio Information Services			X	X		X		X				
Protocol Conversion	X				X							
Customer Dialed Account Recording (CDAR)	X	X	X	X	X	X	X	X				
Inside Wire Services	X	X	X	X	X	X	X	X			X	X
Nonregulated Video Dialtone	X	X			X							

COST APPORTIONMENT TABLES

USOA-PART 32 ACCOUNT	COST POOLS	COST POOL APPORTIONMENT BASIS	REGULATED/ NONREGULATED APPORTIONMENT BASIS	COST DEFINITION	COMMENTS
6623 Customer Service	Regulated Customer Service	Direct Reporting	Directly Assigned to Regulated	Directly Assignable	
	* Customer Accounting and Bill Processing	Direct Reporting	Billing Units	Directly Atributable	
	Coin Telephone Collections	Direct Reporting	Relative Value: Public Telephone Terminal Equipment	Indirectly Atributable	
	Customer Service Administration and Other	Direct Reporting	Customer Services Allocator	Indirectly Atributable	
	* Service Order Processing	Direct Reporting	Service Orders Allocator	Directly Atributable	
	Nonregulated Customer Service	Direct Reporting	Directly Assigned to Nonregulated	Directly Assignable	
	Nonregulated Inmate Telephone Collections	Direct Reporting	Directly Assigned to Nonregulated	Directly Assignable	

* Includes Video Services